

FISCAL NOTE

HB 456 - SB 853

March 13, 2001

SUMMARY OF BILL: Creates the *Guaranteed Energy Cost Savings Act*, which:

- Authorizes any governmental unit to enter into a guaranteed energy cost savings contract in order to reduce energy consumption or operating costs of government facilities.
- Requires a governmental unit that enters into such program to:
 - Submit a request for proposals before entering into a guaranteed energy cost savings contract.
 - Evaluate any proposal from a qualified provider and shall select the qualified provider that best meets the need of the unit.
 - Enter into a guaranteed energy cost savings contract with a qualified provider if the amount to be spent on the energy cost savings measures recommended in the proposal would not exceed the amount of energy or operational cost savings, or both, within a 10 year period from the date the installation is complete, if the recommendations in the proposal are followed.
- Establishes other requirements that companies must meet that bid on and are awarded contracts for guaranteed energy cost savings contracts.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - The bill is minimal as written. State and local governments are currently authorized to enter into guaranteed energy cost savings contracts.

Estimate assumes the state will continue to utilize the provisions currently authorized. According to information provided by the Department of Finance and Administration, the Executive Branch and the State Building Commission have already established a program to create standard procedures for the procurement and implementation of energy savings performance contracts (ESPC) that includes all the definitions and elements provided in the proposed legislation and more. The implementation plan and process is part of a broader plan to improve the energy efficiency of all existing State owned buildings over the next fifteen years.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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